

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA	)		
	)		
	)	v.	CRIMINAL NO. 03-530-A
	)		
VINEET K. CHHABRA	)		

STATEMENT OF FACTS

The United States and the defendant agree that had this matter proceeded to trial, the United States would have proven the following facts beyond a reasonable doubt:

1. The defendant, Vineet K. Chhabra, also known as Vincent K. Chhabra, was an owner, operator, corporate officer and/or director of businesses that operated websites and toll-free telephone numbers through which defendants distributed and dispensed controlled substances, and laundered the proceeds thereof. Some of these businesses included: Medisource Medical Centers; Next Generation Health Systems, Inc.; ID Limited; DVM Enterprises, Inc.; ePrescription Global Limited; T.A.C.E., LLC; JavinTech, LLC; Lortan Limited, LLC; MedPrescribe, Inc.; ePrescribe, Inc.; Safewebmedical, Inc.; Giant Pharmaceuticals, LLC; Prescription Resources, Inc.; SV Enterprises; Chhabra Investment Group, LLC; defendant VKC Consulting, LLC; MVC Holdings; MAC Investments, LLC; defendant USA Prescription, Inc.; and defendant Chhabra Group, LLC. Defendant Vineet K. Chhabra was the President and Director of defendant USA Prescription, Inc., President and Chief Executive Officer of defendant Chhabra Group, LLC; and Manager of defendant VKC Consulting, LLC.

Additionally, defendant Vineet K. Chhabra owned at least one pharmacy through which defendants distributed and dispensed controlled substances.

2. During the course of the conspiracy described in Count 1 of the superseding indictment, the defendant and his co-conspirators caused to be distributed and dispensed thousands of controlled substance prescriptions, which resulted in the distribution and dispensing of at least hundreds of thousands of pills of Schedule III drugs and millions of pills of Schedule IV drugs, all in violation of federal law. Such drugs were distributed and dispensed to customers in, among other places, Fairfax County, Arlington County, and Fauquier County in the Eastern District of Virginia.

3. The Schedule III substance distributed and dispensed was phendimetrazine, a stimulant for weight loss, sold by its brand name Bontril. The Schedule IV substances distributed and dispensed were phentermine, sold generically and by the brand names Adipex and Ionamin, and sibutramine hydrochloride, sold by the brand name Meridia, and zolpidem tartrate, sold as Ambein, used for insomnia. These drugs are indicated for weight loss. Other prescription drugs distributed and dispensed in violation of federal law included Viagra, Xenical, Propecia, and Celebrex.

4. Customers who ordered drugs from the websites were not required to provide a prescription before receiving the controlled substances. Instead, customers filled out an online order form and chose the type, quantity, and dosage of controlled substance the customer wished to purchase. Customers also answered questions about their medical conditions.

5. The prescriptions were dispensed under the authorizations of defendants Dr. Daniel Thompson and Dr. William Thompson, as well as Dr. Marvin Brown, Dr. Russell Johnson, Dr. Arturo Portales, and Dr. Laurence Cockerille, through pharmacies owned by

defendant Sunil K. Sethi and others. Sunil Sethi was a partner with the defendant in medicineshelf.com, and worked with the defendant to open a pharmacy in Midlothian, Virginia, which exclusively distributed and dispensed these Internet prescriptions. Defendant was also partners with Daniel L. Thompson in get-it-on.com, cybrx.com, cybrxpress.com, rxclinic.com, and eprescribe.com. Defendant was a partner with James Trovato in rxleader.com, choicervx.com, and privacyrx.com websites. Other physicians were also involved such as Dr. Lorenzo Riera-Matienzo, Dr. Eric Rosenkrantz, Dr. Kenneth Rivera-Kolb, and Dr. Stephen L. Ancier.

6. Under the Controlled Substances Act and its implementing regulations, for a prescription to be valid, a prescription has to be issued for a legitimate medical purpose by an individual acting in the usual course of the professional practice. 21 C.F.R. § 1306.04.

7. The prescriptions authorized by the physicians were not valid because they did not establish a legitimate doctor-patient relationship. Other than the questionnaires, the physicians did not have any contact with the persons ordering the medication; they performed no mental or physical examination, did not take a patient history or perform any diagnostic or laboratory testing, did not check the accuracy of the information customers provided (including their identities, ages, and qualifying medical conditions, such as weight), and did not monitor, or provide any means to monitor, medication response, weight loss or weight gain. Instead, the controlled substances, as set forth above, were distributed and dispensed for other than legitimate medical purposes and not in the usual course of professional practice. As such, the actions of the defendant and his co-conspirators violated the Controlled Substances Act.

8. The defendant and his co-conspirators caused to be distributed and dispensed excessive quantities of controlled substances to particular customers on a regular basis.

9. Distributing and dispensing controlled substances on the basis of a review of an order form, where there is no previously established doctor-patient relationship, can lead to harm to the person ordering drugs.

10. During the course of the conspiracy, the defendant received millions of dollars in wages and profits from the distribution and dispensing of controlled substances and other prescription drugs ordered by the Internet customers.

11. The defendant was a manager and supervisor of a criminal activity that involved five or more participants and was otherwise extensive.

Respectfully submitted,

PAUL J. McNULTY  
UNITED STATES ATTORNEY

By:

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After consulting with my attorney and pursuant to the plea agreement entered into this day between the defendant, Vineet K. Chhabra, and the United States, I hereby stipulate that the above Statement of Facts is true and accurate, and that had the matter proceeded to trial, the United States would have proved the same beyond a reasonable doubt.

Vineet K. Chhabra  
Defendant

I am Vineet K. Chhabra's attorney. I have carefully reviewed the above Statement of Facts with him. To my knowledge, his decision to stipulate to these facts is an informed and voluntary one.

Thomas G. Connolly  
Counsel for Defendant